



DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
RESEARCH, DEVELOPMENT AND ACQUISITION
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MEMORANDUM FOR DISTRIBUTION

Subj: SUSPENSION OF THE PRICE EVALUATION ADJUSTMENT FOR SMALL
DISADVANTAGED BUSINESSES

Encl: (1) OUSD DP(DAR) memo dtd January 25, 2001

Enclosure (1) is forwarded for your information and immediate implementation, as appropriate. The Director of Defense Procurement has directed all Department of Defense contracting activities to suspend the use of price evaluation adjustments for small disadvantaged businesses in DoD procurements, as prescribed in the Federal Acquisition Regulation (FAR), Subpart 19.11.

This suspension applies to all solicitations issued during the period from February 24, 2001, to February 23, 2002.


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Management

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Info

JAN 25 2001

ACQUISITION AND
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In reply refer to
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DP (DAR)

MEMORANDUM FOR DIRECTORS OF DEFENSE AGENCIES
DEPUTY FOR ACQUISITION AND BUSINESS MANAGEMENT,
ASN(RD&A)/ABM
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
(CONTRACTING), SAF/AQC
DEPUTY ASSISTANT SECRETARY OF THE ARMY (PROCUREMENT)
EXECUTIVE DIRECTOR FOR PROCUREMENT MANAGEMENT (DLSC/DLA)

SUBJECT: Suspension of the Price Evaluation Adjustment for Small
Disadvantaged Businesses

Effective 30 days after the date of this memorandum, all Department of Defense (DoD) contracting activities shall suspend the use of the price evaluation adjustment for small disadvantaged businesses (SDBs) in DoD procurements, as prescribed in the Federal Acquisition Regulation (FAR), Subpart 19.11.

Subsection 2323(e) of title 10, United States Code (USC), as amended by Section 801 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999, prohibits DoD from exercising the authority for a price exceeding fair market cost if the Secretary determines at the beginning of the fiscal year that DoD achieved the 5 percent goal established by subsection 2323(a) in the most recent fiscal year for which data are available. The determination has been made that in fiscal year 2000 DoD exceeded the 5 percent goal established in 10 USC 2323(a) for contract awards to SDBs. Accordingly, use of the price evaluation adjustment prescribed in FAR 19.11 is suspended for DoD.

This suspension applies to all solicitations issued during the period from February 24, 2001, to February 23, 2002.

Deidre A. Lee
Director, Defense Procurement

cc: DSMC, Ft. Belvoir

ENCLOSURE(1)

JAN 31 2001

